



General Assembly

January Session, 2007

**Committee Bill No. 5490**

LCO No. 4888

\* \_\_\_\_\_HB05490HSGPD\_030607\_\_\_\_\_\*

Referred to Committee on Select Committee on Housing

Introduced by:  
(HSG)

**AN ACT ESTABLISHING A FIRST-TIME HOMEBUYER SAVINGS  
PILOT PROGRAM.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1       Section 1. (NEW) (*Effective July 1, 2007*) (a) The Commissioner of  
2       Economic and Community Development, in consultation with the  
3       Commissioner of Revenue Services, shall establish a first-time  
4       homebuyer savings pilot program whereby graduates of a high school  
5       or a public or independent institution of higher education in the state,  
6       for the period ending ten years after the date of graduation, may elect  
7       to have fifty per cent of the amount paid for the income tax under  
8       chapter 229 of the general statutes in each calendar year segregated by  
9       the Commissioner of Revenue Services and deposited into the fund  
10      established by section 2 of this act for use in the purchase of a first  
11      home by the graduate. Taxes shall be segregated for tax years  
12      commencing on January 1, 2008.

13      (b) The pilot program shall consist of five hundred participants, fifty  
14      per cent of whom shall have graduated from a high school in the state  
15      and fifty per cent of whom shall have graduated from a public or  
16      independent institution of higher education in the state. Enrollment

17 shall begin on January 1, 2008. If there are more than five hundred  
18 applicants for the program, the Commissioner of Economic and  
19 Community Development shall conduct a lottery to select the  
20 participants. Applicants not selected shall be placed on a waiting list  
21 for the program.

22 (c) The Commissioner of Economic Development, in consultation  
23 with the Commissioner of Revenue Services, shall adopt regulations in  
24 accordance with the provisions of chapter 54 of the general statutes to  
25 carry out the provisions of this section.

26 (d) Not later than December 1, 2007, within available  
27 appropriations, the Commissioner of Economic and Community  
28 Development shall develop a comprehensive public education  
29 program to educate recent graduates of a high school or a public or  
30 independent institution of higher education in the state about the first-  
31 time homebuyer savings pilot program established under this section.  
32 The public education program shall include, but not be limited to,  
33 information concerning lifetime savings plans and information on the  
34 purchase of a house. The department shall begin to implement the  
35 outreach program not later than January 1, 2008.

36 (e) Not later than January 1, 2009, and annually thereafter, the  
37 Commissioner of Economic and Community Development shall  
38 submit a report to the select committee of the General Assembly  
39 having cognizance of matters relating to housing on the pilot program  
40 established pursuant to this section. Said report shall analyze the  
41 strengths and shortcomings of the pilot program and may include  
42 recommendations for legislation.

43 Sec. 2. (NEW) (*Effective July 1, 2007*) There is created a "Connecticut  
44 First-time Homebuyers Fund". Moneys segregated by the  
45 Commissioner of Revenue Services pursuant to section 1 of this act  
46 shall be deposited in the fund. Amounts deposited in the fund shall be  
47 available to the Commissioner of Economic and Community  
48 Development for payments to participants in the first-time home buyer

49 program established pursuant to section 1 of this act. The State  
50 Treasurer shall invest the proceeds of the fund and the investment  
51 earnings shall be credited to and become part of the General Fund.  
52 Annually, on or before September first, the Treasurer shall notify the  
53 Commissioner of Economic and Community Development of the total  
54 amount in the fund. Any balance remaining in the fund at the end of  
55 each fiscal year shall be carried forward in the fund for the succeeding  
56 fiscal year. Any funds segregated for a participant in the program that  
57 are not used in the purchase of a home shall be transferred to the  
58 General Fund. Any costs incurred by the State Treasurer in  
59 administering the fund shall be paid from the fund.

This act shall take effect as follows and shall amend the following sections:		
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Section 1	<i>July 1, 2007</i>	New section
Sec. 2	<i>July 1, 2007</i>	New section

**HSG***Joint Favorable C/R*

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